

Constellation Energy returns a certain amount of money in transition costs to BGE; requiring BGE to use certain transition costs to reduce a certain increase in certain electricity rates; requiring Constellation Energy to reimburse BGE for certain losses if Constellation Energy fails to return certain transition costs to BGE; and generally relating to the return of transition costs recovered by BGE from Constellation Energy Group, Inc., to BGE.

BY adding to

Article – Public Utility Companies

Section 7-518

Annotated Code of Maryland

(1998 Volume and 2005 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Public Utility Companies

7-518.

(A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, UNTIL CONSTELLATION ENERGY GROUP, INC., RETURNS TO THE BALTIMORE GAS AND ELECTRIC COMPANY THE \$528,000,000 IN TRANSITION COSTS THAT WERE RECOVERED BY BALTIMORE GAS AND ELECTRIC COMPANY IN ACCORDANCE WITH § 7-513 OF THIS SUBTITLE AND PUBLIC SERVICE COMMISSION ORDER NO. 75757:

(1) A MERGER BETWEEN FPL GROUP, INC., AND CONSTELLATION ENERGY GROUP, INC., MAY NOT OCCUR; AND

(2) BALTIMORE GAS AND ELECTRIC COMPANY MAY NOT INCREASE ELECTRICITY RATES FOR RESIDENTIAL CUSTOMERS IN THE BALTIMORE GAS AND ELECTRIC SERVICE TERRITORY.

(B) BALTIMORE GAS AND ELECTRIC COMPANY SHALL USE THE TRANSITION COSTS RETURNED IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION TO REDUCE ANY INCREASE IN ELECTRICITY RATES FOR RESIDENTIAL CUSTOMERS IN THE BALTIMORE GAS AND ELECTRIC SERVICE TERRITORY THAT MAY OCCUR AFTER ELECTRICITY RATE CAPS FOR RESIDENTIAL CUSTOMERS EXPIRE.

(C) IF CONSTELLATION ENERGY GROUP, INC., DOES NOT RETURN THE TRANSITION COSTS TO BALTIMORE GAS AND ELECTRIC COMPANY, CONSTELLATION ENERGY GROUP, INC., SHALL REIMBURSE BALTIMORE GAS AND ELECTRIC COMPANY FOR ANY LOSSES INCURRED BY BALTIMORE GAS AND ELECTRIC COMPANY THAT ARE DIRECTLY ATTRIBUTABLE TO THE PROHIBITION ON ELECTRICITY RATE INCREASES UNDER SUBSECTION (A) OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2006.

April 7, 2006